GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1742
ANSWERED ON:01.08.2003
SICK SUGAR FACTORIES
MADAN PRASAD JAISWAL;MANSINH PATEL

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether sugar factories have become sick and are not paying dues to the sugarcane growers;

(b) if so, the amount of sugar accumulation in the country as on date;

(c) whether the Government have any immediate plan to sell sugar in the international markets and create liquidity in the sector;

(d) whether the Government propose to help the sugarcane growers to receive economical prices for their products; and

(e) if so, the details thereof, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a)&(b): The accumulation of cane price arrears is attributable to such factors as financial constraints, inadequate sales realization and negative networth. As on 22nd June, 2003, the stocks of sugar in the country were around 152.60 lakh tonnes, as against about 154.53 lakh tonnes on the corresponding date of the last season.

(c),(d)&(e): Exports of sugar are allowed under Open General Licence (O.G.L.) under thepresent EXIM policy and, as such, various sugar mills/exporters have been exporting sugar on commercial terms. During the financial year 2002-2003, a quantity of about 14.70 lakh tonnes was exported.

The Statutory Minimum Price (SMP) for sugarcane was fixed at Rs. 69.50 per quintallinked to a basic recovery of 8.5% for the sugar season 2002-2003, as against the SMP ofRs. 62.05 per quintal during the season 2001-2002. The SMP for sugarcane is determined factory-wise, depending upon the recovery level (and not State-wise).